

293 - WORKERS' COMPENSATION INTERNAL SERVICE FUND

Operational Summary

Description:

The Workers' Compensation Internal Service Fund is a division of the CEO/Office of Risk Management whose mission is to preserve and protect the human and capital assets of the County of Orange.

At a Glance:

Total FY 2002-2003 Projected Expend + Encumb:	35,462,993
Total Recommended FY 2003-2004 Budget:	42,524,515
Percent of County General Fund:	N/A
Total Employees:	10.00

Strategic Goals:

- It is the goal of the self-insured Workers' Compensation Program to provide state-mandated benefits to injured County employees and to ensure that all state and federal requirements are met or exceeded. This program also integrates workers' compensation benefits with specific benefits within labor agreements.
- The Safety and Loss Prevention Program strives to provide a safe environment for both County employees and members of the public who visit County facilities and receive County services through its pro-active safety, loss prevention and anti-fraud programs. This strategy compliments current efforts to reduce the total cost of workers' compensation and liability claims.

Key Outcome Indicators:

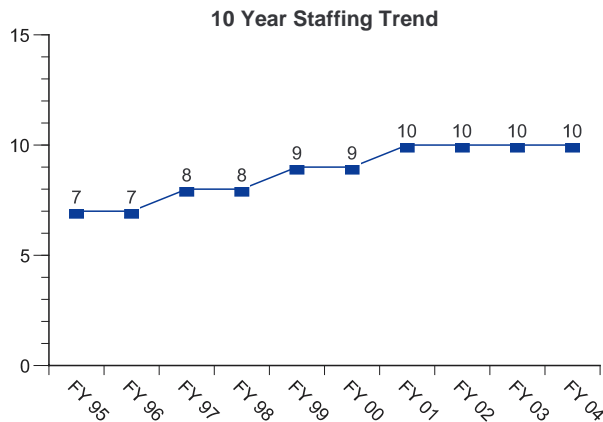
Outcome Indicator	2002 Business Plan Results	2003 Business Plan Target	How are we doing?
RELATIVE COST OF SAFETY AND WORKERS' COMPENSATION PROGRAM What: Shows the total expenditures of this program as a percent of total county expenditures. Why: Provides a constant measure of program costs.	The overall cost of this statutory benefit program was less than 1% of total county expenditures (.92%).	Remain less than 1% of total county expenditures.	Safety and Workers' Compensation Program costs for FY 2001-2002 were just under 1% of total county expenditures.

Fiscal Year FY 2002-2003 Key Project Accomplishments:

- Increased the use of technology through on-line access to the State's Employer's Report of Occupational Injury/Illness, on-line access to training registration, on-line forms and newsletter.
- Participated in state, county and private industry efforts to mitigate the increased costs of Workers' Compensation.
- Injury rate to employees was 7.6 per 100 employees. This is 23% less than the last reported statewide injury rate.

WORKERS' COMPENSATION ISF - Workers' Compensation insurance and claim administration, Safety and Loss Prevention, and Anti-Fraud and Loss Prevention.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- Overall expansion and increasing claims administration responsibilities of the program required program adjustments and increased technology to meet new challenges with level staffing.

Proposed Budget and History:

Sources and Uses	FY 2001-2002 Actual	FY 2002-2003 Budget As of 3/31/03	FY 2002-2003 Projected ⁽¹⁾ At 6/30/03	FY 2003-2004 Recommended	Change from FY 2002-2003 Projected	
					Amount	Percent
Total Positions	-	10	10	10	0	0.00
Total Revenues	29,771,428	35,827,911	35,480,637	42,524,515	7,043,878	19.85
Total Requirements	29,776,351	35,827,911	35,471,787	42,524,515	7,052,728	19.88
Balance	(4,923)	0	8,850	0	(8,850)	-100.00

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2002-2003 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Workers' Compensation Internal Service Fund in the Appendix on page 685.

Highlights of Key Trends:

- Impact of legislative and regulatory changes has resulted in significantly increased costs which are projected to continue to rise over the next 5 years due to new benefit rates effective January 1, 2003.
- Medical cost inflation increased costs.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Support the overall mission of the County Executive Office and Strategic Financial Plan.

Changes Included in the Recommended Base Budget:

Increased cost of workers' compensation benefits due to legislated new rates.